

SOUTHEAST COLORADO POWER ASSOCIATION
Minutes of Regular Board Meeting

The regular meeting of the Board of Directors of Southeast Colorado Power Association (SECPA) was held **April 20, 2022**, at the SECPA headquarters, 27850 Harris Road, La Junta, CO.

1. Call to Order/ Roll Call

President Randy Phillips called the meeting to order at 1:25 p.m. Directors present were Clint Anderson, Brad Buck, Kevin Karney, Merlin Rushton, and Truman Wright. Director Lawrence Brase was attending Tri-State meeting.

CEO Kevin Brandon, CFO Craig McBrain, COO Mark Hall, CSO Clint Arbuthnot, CHRO Angela Bamber, Executive Assistant Debbie Howard and outside legal counsel Casey Martin were also in attendance.

2. Agenda Modifications – None.

3. Member and/or Public Participation – None.

4. Board Meeting Minutes

Motion was made and seconded to approve all Special and regular March meetings' minutes. **MOTION** carried.

5. Chief Executive Officer – Brandon

- Tri-State is looking at the possibility of allowing members to self-generate up to 15% of their power needs instead of the current 5% allowed in the all-requirements contract, which could come from renewables, or other sources.
- Discussed future of marijuana industry and options for SECPA.
- Brandon met with Dean Hiatt about expanding service to Ordway area.
- Shared a letter from CFC requesting a contribution to the Integrity Fund. Motion was made and seconded to donate \$5k to Integrity Fund. **MOTION** carried.
- Motion was made and seconded to appoint McBrain as voting delegate for CFC & NCSC June Annual meetings to be held in Boston. **MOTION** carried. McBrain plans to attend.
- CREA Executive Director, Kent Singer will be invited to May Board meeting for lunch.
- Brandon read the names of the 12 scholarship winners. Karney requested list be emailed to Directors.
- Annual meeting agenda reviewed (Directors were emailed copies prior to the meeting.)

6. Accounting & Finance- McBrain

- February Income Statement, Balance Sheet, various graphs & check Register were reviewed. (Included in Board packet.)
- An Insurance Renewal Summary showed 2021 total premium \$188,702 & 2022 total premium \$198,728 (an increase of \$10,026.)
- A summary of the 2022 General Capital Credit Retirement was presented; the retirement settled 100% of allocations from 1967-1969. Total retirement amount was \$418,453; 2154 checks totaling \$227,731 to be mailed on 4/20/22 and the balance was transferred to unclaimed patronage.
- Martin advised that Board have a policy on Unclaimed Capital Credits; possibly schedule a work session to set policy.
- McBrain explained the need for a special allocation of \$2,155.653 in margins resulting from the from the depreciation adjustment made during the 2020 audit. The adjustment resulted from the over depreciation of assets and misreporting of some gains from approximately 2002-2017. Two options and considerations for allocation were discussed. A resolution for the special allocation will be included in May Board packet.
- February Net Margins, \$234,169; YTD, \$372,406.
- Plan to publish Unclaimed Capital Credits in *Colorado Country Life* magazine soon.
- Motion was made and seconded to accept previously presented SECPA audited financial statements. **MOTION** carried.

7. Member Services & Technology – Brandon

- Membership reports included in Board packet. There were 103 more accounts now than last year.

8. Operations – Hall

- Various kWh graphs, Outages, Work Order, and Line Loss reports reviewed (included in Board packet.)
- Monthly line loss was equivalent to \$49,994.
- None of outages were caused by recent fires.
- A housing development is being constructed in Eads.
- Hall has discovered that RESAP visits can be provided by companies in Oklahoma or Kansas.
- Hall traveled to Illinois to pick up trencher.
- May Valley has approached Hall about solar; 115 kW required at 1 site. Policy allows only 25 kW.
- A journeyman has resigned.

9. Legal – Casey Martin

- Attorney Invoice totaled \$1622 (copy in Board packet.)
- Martin announced this is his first official meeting; interested in what value he can provide as our attorney.
- Martin gave an update on specifics he is working on with staff: reviewing minutes, bylaws, easements, templates, etc. Keeping abreast of what is going on with other co-ops that might be relevant to our co-op.

10. Human Resources – Bamber

- March payroll = \$384,626 (overtime = \$30,552); and other payroll \$42,263 (includes employee paid time off; payout at resignation); 48 employees.
- Bryce Wasson, Journeyman, La Junta, hired 3/21/22.
- Quentin Doke, apprentice, Springfield, hired 4/18/22.
- Taylor Wallace, Serviceman, Springfield, resigned; position posted.
- An apprentice will be starting May 2 in Springfield.

10. Safety – Arbuthnot

- Update given on completed training, upcoming training, document review. (Details in Board packet.)

11. Affiliate Organization Board Reports

A. Western United Electric (WUE) - Anderson

- Written summary included in Board packet.

B. Colorado Rural Electric Association (CREA) - Karney

- Board of Directors March 24 & 25 meeting minutes included in Board packet.

C. Tri-State G&T- (Brandon)

- Written report included in Board packet.
- Attended annual meeting.
- Reported FERC hearing scheduled on Tri-State docket regarding Contract Termination Payment (CTP); PVREA's FERC Attorney is requesting co-op representation at hearing if possible.
- Reg Rudolph, former SIEA CEO, is new employee at Tri-State; sells energy as a service.

12. Executive Session

Motion was made and seconded to go into Executive Session at 3:30 p.m. for legal issues and personnel matters.

MOTION carried.

Staff, except CEO, left meeting at 3:50 p.m.


Martin left meeting at 4:00 p.m.

Meeting reconvened at 4:50 p.m.

13. Adjourn - There being no further business, the meeting adjourned at 4:50 p.m.



President



Secretary